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C O N F I D E N T I A L SECTION 01 OF 03 MEXICO 000956

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SUBJECT: CONTEMPLATING A MADRAZO FOREIGN POLICY

REF: MEXICO 251

Classified By: POLITICAL MINISTER-COUNSELOR LESLIE A. BASSETT, REASONS:
1.4(B/D).

11. (C) Summary: If elected, we believe Roberto Madrazo would seek to conduct a foreign policy that falls somewhere between the U.S.-centered policy advocated by the Fox administration and the "non-aligned" policy traditionally maintained by presidents from the Revolutionary Institutional Party (PRI). Madrazo has been harshly critical of President Fox's foreign policy, charging that he has failed to deliver on the strategic alliance Fox promised with the United States, while alienating Mexico from its traditional Latin American partners. Like Fox, Madrazo considers the U.S.-Mexico relationship to be Mexico's top foreign policy priority and he has emphasized his willingness to work closely with the U.S. on a range of issues, from trade to law enforcement to counter-terrorism. Unlike Fox, however, Madrazo will not pin virtually his entire foreign policy on improved relations with the U.S. A Madrazo administration would be a pragmatic partner on bilateral issues to the extent that domestic political considerations permit; it is unlikely to be a principled partner, however, willing to take risks on politically charged issues. A Madrazo administration would be a consistent advocate for multilateralism and an enhanced role for the United Nations in conflict resolution, and is unlikely to be a reliable ally on politically sensitive global issues such as Iraq. Under a President Madrazo, Mexico would seek to play an expanded diplomatic role in Latin America, particularly in search of new trade opportunities. While we suspect that the relatively non-ideological Madrazo is wary of both Castro and Chavez, he believe he will seek to maintain far less confrontational relations with them than has the Fox administration. End summary.

Diagnosis: Stalemate to the North, Setbacks to the South

12. (SBU) Madrazo has harshly criticized the Fox administration's foreign policy, accusing it of abandoning decades of continuity in Mexican foreign policy by betting the ranch on an unrealistic vision of U.S.-Mexican relations, while ignoring Mexico's traditionally strong relations with its Latin American partners. He has criticized Fox for expecting that Mexico's democratic breakthrough in 2000 would bring a "democratic bonus," i.e., a "strategic alliance" with the United States that would include a sweeping accord on immigration. Madrazo has argued that the terrorist attacks on 9/11 changed U.S. policy priorities, dashing any possibility of such a strategic alliance, and undermining the central tenet of Fox's foreign policy. Madrazo has been equally critical of what he has characterized as Mexico's abstention from Latin American affairs, and in particular of Fox's confrontational posture towards Venezuela and Cuba. Indeed, earlier this week he called for the resignation for

Foreign Secretary Derbez, arguing that his inconsistent handling of relations with Cuba, Venezuela and other countries has undermined Mexico's diplomatic credibility.

A Pragmatic Approach to U.S.-Mexican Relations

13. (C) Madrazo's vision for the U.S.-Mexico relationship appears to be a pragmatic one, recognizing that the U.S.-Mexico relationship must remain Mexico's foreign policy priority. The candidate demonstrates little of the reflexive suspicion towards the United States that PRIistas traditionally have harbored, even if he recognizes that the relationship remains far from Fox's goal of a partnership among equals. Madrazo's platform calls for "a mutually beneficial relationship with the United States, taking into account the asymmetries between the two countries." He has repeatedly advocated cooperation on a broad range of issues, including counter-terrorism, organized crime and drug trafficking, in the case of the latter, "recogniz(ing) the demand existing in the United States and Mexico's role principally as a transit country." His platform also calls for increased technical cooperation against money laundering, and USG assistance to develop the investigative capacity of the Mexican police. However, while we expect that Madrazo generally would be open to continued close cooperation on law enforcement issues, both he and some of his closest political allies are rumored to have associated with individuals linked to organized crime and drug trafficking; we cannot discount that these associations would compromise his willingness to cooperate in particular cases.

14. (SBU) Madrazo strongly supports NAFTA, although he has

MEXICO 00000956 002 OF 003

said he would consider seeking to renegotiate certain of its agricultural provisions if the U.S. and Canada were amenable, adding, however, that a unilateral effort to reopen trade negotiations would not serve Mexico's interests. He has said that with the opening within NAFTA of free trade in corn, beans, milk and sugar in 2008, Mexico should invoke "tools" contemplated by NAFTA to minimize the impact of this opening on the Mexican agricultural sector. He has called for a more integrated agricultural market within NAFTA, the creation of a permanent NAFTA dispute settlement tribunal to replace the ad hoc panels now in use, and the consideration of a single external tariff. He also proposes revisiting the issue of shared water resources, taking into account the criteria of "proportionality" and "justice."

15. (C) A President Madrazo might pay occasional lip service to the anti-USG views held by many Mexicans, as is expected of Mexican leaders. Nevertheless, Madrazo himself has lifelong ties with the United States and we see no evidence of an anti-American attitude. Indeed, one advantage of his pragmatism -- many would say his lack of principles -- is that he appears not to be captive to the antiquated views of many on the Latin American left. While he is unlikely to view the United States as the strategic partner sought by President Fox, we expect that he will seek, to the extent possible, to keep gratuitous antagonisms out of the relationship.

Migration: Less Than the "Whole Enchilada" Will Do

16. (SBU) Madrazo calls for a "responsible" approach to the issue of migration, that seeks a more orderly and controlled flow of migrants, taking into account both the demand in the U.S. for Mexican labor and the imperative of protecting the human rights of expatriate Mexican workers. According to foreign policy advisor and former Ambassador to the U.S. Jorge Montano Martinez (reftel), he understands that the sort of sweeping immigration accord sought by President Fox early

in his administration is unrealistic and hopes to reach a compromise with the U.S. that nevertheless permits increased Mexican immigration to the United States. He supports President Bush's proposed temporary worker program, and seeks a bi-national social security agreement that accounts for the contributions of expatriate Mexican workers in the U.S., as well as greater labor mobility between the countries. According to Victor Arreaga, the PRI's Deputy Director of International Affairs, Madrazo also believes that the three North American partners should jointly formulate development programs targeted at those Mexican states that are the principal sources of migrants, in order to create the conditions necessary to deter migration. Contacts in the Madrazo camp have called for a major development assistance program similar to the one that the EU established in the 1980s for Spain and other southern European countries.

Renewed Emphasis on Latin America

¶7. (C) Madrazo has criticized Fox for overemphasizing the U.S.-Mexican relationship at the expense of other bilateral relationships, particularly those with other Latin American countries, calling for expanded trade relations in the region, including possibly a closer relationship with Mercosur. Although Madrazo expressed support for Fox at the time of Mexico's diplomatic row with Venezuela, stating that all citizens should rally around the President during international disputes, he has criticized Fox for injecting unnecessary tensions into its bilateral relations. As a pragmatist rather than an ideologue, we do not expect Madrazo to court either Castro or Chavez, but he will seek to normalize the currently tense relationships with those countries. Outside of this hemisphere, he has proposed expanding trade relations with the EU, the PRC and the other countries of the Pacific Rim.

A Return to Multilateralism

¶8. (C) Although a President Madrazo would be reasonably easy to work with on the main issues on our bilateral agenda, we expect him to be less supportive of U.S. positions on global issues than has been President Fox. Madrazo agrees with the traditional PRI preference for "non-intervention" and "self-determination," and Mexico would likely reemphasize its traditional posture as a "non-aligned" country in international fora. A draft PRI policy paper shared with the embassy emphasized the party's preference for multilateralism, urging that the international community

MEXICO 00000956 003 OF 003

strengthen the United Nations's role in conflict prevention and resolution. The policy paper implicitly criticized U.S. policy towards Iraq when it declared: "We have the obligation to avoid establishing new rules in international law by accepting preventive war as a norm."

Comment: In Praise of Reduced Expectations?

¶9. (C) That Madrazo's expectations for U.S.-Mexican relations are somewhat more modest than those held by President Fox at the outset of his administration is an advantage: his reduced expectations are less likely to produce the disappointments and tensions witnessed in the first years of the Fox administration. Yet just like his two rivals for the presidency, Madrazo has not always proven adept at understanding the political climate in the United States, and his advisors at times seem unwilling to hear the messages that we have reiterated. For example, like his rivals, Madrazo has the perhaps unrealistic expectation that the USG would be willing to negotiate even a partial

migration accord with Mexico, that the number of immigrants to be accepted by the USG each year has somehow become a matter for bilateral negotiation. Likewise, Madrazo and other members of the political class -- many of whom are traditionally jealous of Mexico's national sovereignty -- seem to believe that they will be able to influence U.S. congressional deliberations over immigration enforcement measures. And Mexicans across the political spectrum, including Madrazo, seem to believe that the United States (and possibly Canada) would be prepared to establish a major development assistance program for Mexico. Certainly, even with a pragmatist in Los Pinos, plenty of potential bilateral pitfalls remain. End comment.

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